

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: HEALTH CARE FINANCING ADMINISTRATION	1. TRANSMITTAL NUMBER: <u>0 1 — 0 1 6</u>	2. STATE: <u>CO</u>
	3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)	
TO: REGIONAL ADMINISTRATOR HEALTH CARE FINANCING ADMINISTRATION DEPARTMENT OF HEALTH AND HUMAN SERVICES	4. PROPOSED EFFECTIVE DATE October 1, 2001	

5. TYPE OF PLAN MATERIAL (Check One):

☐ NEW STATE PLAN ☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN ☒ AMENDMENT

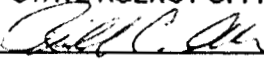
COMPLETE BLOCKS 8 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)


6. FEDERAL STATUTE/REGULATION CITATION: 42 CFR 447.253	7. FEDERAL BUDGET IMPACT: a. FFY <u>2002</u> \$ <u>800,000</u> b. FFY <u>2003</u> \$ <u>2,400,000</u>
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Attachment 4.19A, Pages 21a and 21b	9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable): Attachment 4.19A, Page 21

10. SUBJECT OF AMENDMENT: Mental Health Institutes

11. GOVERNOR'S REVIEW (Check One):

☐ GOVERNOR'S OFFICE REPORTED NO COMMENT ☒ OTHER, AS SPECIFIED:
☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED As per Governor's letter dated Dec 14, 1999
☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

12. SIGNATURE OF STATE AGENCY OFFICIAL: 	16. RETURN TO: Colorado Department of Health Care Policy & Financing 1575 Sherman Street Denver, CO 80203-1714 Attn: Karen Snell 2001 DEC 2
13. TYPED NAME: Richard C. Allen	
14. TITLE: Director, Office of Medical Assistance	
15. DATE SUBMITTED: December 27, 2001	

FOR REGIONAL OFFICE USE ONLY	
17. DATE RECEIVED: December 27, 2001	18. DATE APPROVED: 12/27/01
PLAN APPROVED - ONE COPY ATTACHED	
19. EFFECTIVE DATE OF APPROVED MATERIAL: 10/1/01	20. SIGNATURE OF REGIONAL OFFICIAL: 
21. TYPED NAME: Kenneth K. Brisson	22. TITLE: Acting Associate Regional Administrator
23. REMARKS: HANDCARRIED: December 27, 2001	

TITLE XIX OF THE SOCIAL SECURITY ACT
MEDICAL ASSISTANCE PROGRAM

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3. A. Effective for dates of services after July 1, 1991, exempt hospitals will receive annual modifications to per diem rates. Based on hospital-specific annual projected inpatient costs increases and changes in consumer price index, per diem rate increases or decreases will be authorized subject to a maximum increase of 7% annual limit. Beginning in July, 1993, and for future PPS hospital rebasing periods, the maximum amount of any cost increase granted to an exempt facility's annual per diem rate shall be no more than the weighted average increase in the base rates for the participating PPS hospitals. This exemption from the 7% annual limit shall be in effect only for the State fiscal year 1994 and for every year thereafter when the PPS hospital base rates are recalculated. In no case, shall the per diem rate granted to an exempt hospital exceed the facility's Medicaid cost per day.
- B. Exempt hospitals which are government owned mental health institutes. Effective October 1, 2001, government owned mental health institutes shall receive annual modifications to the per diem rates. The rates shall be established to cover one hundred per cent of the total allowable cost to treat Medicaid clients. These rates shall be based on annual cost reports submitted by the mental health institutes. These cost reports will be subject to annual audits. The audited allowable costs shall be used to set the basis for the retrospective rate which will be effect for the same period covered by the cost report. At the beginning of each cost reporting period, the mental health institute may submit a hospital specific, projected inpatient per diem cost amount which may be used to set an interim rate for the following cost reporting period. The interim rate shall be adjusted to equal the audited allowable per diem cost for the Medicaid clients. This amount is established through audit. The ceilings and cost limit increases specified in paragraph A of this section shall not apply to these facilities.
4. Exempt hospitals are eligible for the Major Teaching Hospital and Disproportionate Share Payments.
5. Non-emergent inpatient medical care rendered at an out-of-state hospital to a Colorado Medicaid patient must be prior authorized by the Department, based upon review and recommendation by the Peer Review Organization (PRO).
6. Payment for out-of-state and non-participating Colorado Hospital inpatient services shall be at a rate equal to 90% of the average Colorado Other Urban or Rural DRG payment rate. Out-of-State urban hospitals are those hospitals located within the Metropolitan Statistical Areas (MSA) as designated by the U.S. Department of Health and Human Services.

TN No. 01-016

Supercedes

TN No. 00-017

Approval Date 03/22/02

Effective Date 10/01/01

TITLE XIX OF THE SOCIAL SECURITY ACT
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7. Effective January 1, 1992: When needed inpatient transplant services are not available at a Colorado Hospital, payment can be made at a higher rate (than 90% of the average Colorado Other Urban or Rural DRG payment rate) for non-emergent services if the provider chooses this payment method. When not reimbursed at a DRG payment rate the out-of-state hospital will be paid based upon the following criteria:
 - a. Payment shall be 100% of audited Medicaid costs.
 - b. In no case shall payment exceed \$1,000,000 per admission.
8. All hospitals participating in the Medicaid program will submit Medicaid and total hospital utilization, statistical, and financial data to the Colorado Hospital Association Data Bank Program. If a hospital does not report to the Colorado Hospital Association Data Bank, the State agency will send the required format for reporting this data.

TN No. 01-016
Supercedes
TN No. 00-017

Approval Date 03/22/02

Effective Date 10/01/01